



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Power Supply Contract (Secondary Service) between the City of Lodi and Apache Plastics, L.P.

MEETING DATE: January 7, 1998

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to approve the attached new Economic Development Power Supply Contract (Contract) between the City of Lodi (City) and Apache Plastics, L.P. (Customer).

BACKGROUND: In return for the Customer's: 1) providing new employment and 2) improving the City's industrial area by renovating and moving into one of the larger manufacturing facilities which was under-utilized, the City and the Customer originally desired service at primary voltage (12,000 volts). The Customer has since reassessed the impact of his installing and maintaining the associated primary voltage transformers and other equipment and has now requested that the City perform such services. The Electric Utility Department performs the above ancillary services and absorbs the cost of transformer losses for secondary customer (less than 12,000 volts) for an additional 4% higher fee over primary service electric rates and City ownership of the equipment. In this case, transformer losses are compensated for by the original meter placement on the high voltage side of the transformer. Only an additional 2% must be charged to compensate the City for the cost of equipment.

Except for now specifying delivery at secondary voltage, metering location and a 2% increase to \$0.05100 per kilowatt-hour from \$0.05000 per kilowatt-hour, all other Contract terms remain as before.

A copy of the proposed Contract and a copy of the original are enclosed for reference.

FUNDING: Not Applicable

Alan N. Vallow
Electric Utility Director

Prepared by John Stone, Manager, Business Planning and Marketing

ANV/JS/Ist

c: City Attorney

APPROVED

H. Dixon Flynn
CITY MANAGER

RESOLUTION NO. 98-04

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO APPROVE ECONOMIC DEVELOPMENT POWER
SUPPLY CONTRACT WITH APACHE PLASTICS, L.P.

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BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to approve an Economic Development Power Supply Contract with Apache Plastics, L.P.; and

FURTHER RESOLVED, that the City Manager and City Clerk are hereby authorized to execute said contract on behalf of the City.

Dated: January 7, 1998

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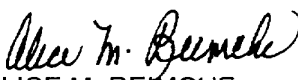
I hereby certify that Resolution No. 98-04 was passed and adopted by the Lodi City Council in a regular meeting held January 7, 1998 by the following vote:

AYES: Council Members - Land, Mann, Pennino, Warner and
Sieglock (Mayor)

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - None


ALICE M. REIMCHE
City Clerk